

**State of California  
Office of Administrative Law**

**In re:**  
**Department of Justice**

**Regulatory Action:**

**Title 11, California Code of Regulations**

**Amend section: 31.11**

**NOTICE OF FILING AND PRINTING ONLY**

**Government Code Section 11343.8**

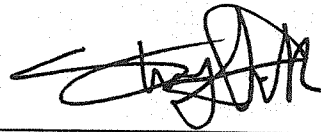
**OAL Matter Number: 2021-1108-03**

**OAL Matter Type: File and Print Only (FP)**

This action by Department of Justice amends section 31.11, Bond of Residential Mortgage Lender and/or Servicer, in the title 11 listing of approved surety bonds for the Department of Financial Protection and Innovation.

OAL filed these regulations with the Secretary of State and will publish the regulations in the California Code of Regulations.

**Date: November 30, 2021**



**Steven J. Escobar  
Senior Attorney**

**Original: Rob Bonta, Attorney General  
Copy: Sarah L. Fabian**

**For: Kenneth J. Pogue  
Director**

## NOTICE PUBLICATION/REGULATIONS SUBMISSION

STD. 400 (REV. 10/2019)

(See instructions on reverse)

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER <b>2021-1108-03</b>	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

NOV 30 2021

1:13 PM

OFFICE OF ADMIN. LAW  
2021 NOV 8 PM 12:52

NOTICE

REGULATIONS

## AGENCY WITH RULEMAKING AUTHORITY

Department of Justice, for the Department of Financial Protection and Innovation

AGENCY FILE NUMBER (If any)

## A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)		FIRST SECTION AFFECTED		2. REQUESTED PUBLICATION DATE	
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON		TELEPHONE NUMBER		FAX NUMBER (Optional)	
OAL USE ONLY		ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER		PUBLICATION DATE	

## B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) <b>Department of Financial Protection and Innovation Bond Form</b>	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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## 2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND
	REPEAL
TITLE(S) <b>11, Div. 1, Chapter 2</b>	<b>Article 6, section 31.11 - Bond of Residential Mortgage Lender and/or Servicer</b>

## 3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input checked="" type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input checked="" type="checkbox"/> Other (Specify) <b>Revision of surety bond form</b>	

## 4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

## 5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)
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## 6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

7. CONTACT PERSON <b>Sarah L. Fabian</b>	TELEPHONE NUMBER <b>415-510-3517</b>	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

*Sarah L. Fabian*

DATE

October 25 2021

TYPED NAME AND TITLE OF SIGNATORY

Sarah L. Fabian, Deputy Attorney General

For use by Office of Administrative Law (OAL) only

AUTHORIZED FOR FILING AND PRINTING

NOV 30 2021

Office of Administrative Law

per agency's request: SE, 11/30/2021

# ADOPT

ESB Form Effective 9/1/2021 This document is for reference ONLY. This bond form has been rendered electronically in NMLS for official use.

## SURETY BOND

BOND OF RESIDENTIAL MORTGAGE LENDER AND/OR SERVICER  
FINANCIAL CODE SECTION 50205

Bond No. [Bond Number]  
Bond Amount: \$[Bond Amount]  
Effective Date: [Bond Effective Date]

KNOW ALL PERSONS BY THESE PRESENTS:

That we, [Licensee/Principal Name] including any and all trade names, whose address for service is set forth in the NMLS Company Form and incorporated herein, NMLS # [Licensee/Principal NMLS ID], as Principal, and [Surety Name], whose address for service is [Surety Main Address], [Surety City], [Surety State], [Surety Zip Code], NAIC # [Surety NAIC], duly licensed to do surety business in the State of California, as Surety, are held and firmly bound unto the State of California for use by the State, for its own benefit and for the benefit of any person or persons who may have a cause of action against us as the Obligors of this instrument under the provisions of the California Residential Mortgage Lending Act, California Financial Code Section 50205 hereafter described in the penal sum of [Bond Amount], lawful money of the United States of America, to be paid to the California Department of Financial Protection and Innovation, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents:

Whereas, the above bounden Principal has applied to the California Department of Financial Protection and Innovation (the "Commissioner") for Residential Mortgage Lender and/or Servicer as provided by law under California Financial Code Section 50205.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal and any employee or agent representing the Principal, working at any location, faithfully conform to and abide by each and every provision of the California Residential Mortgage Lending Act and of all rules and regulations and orders lawfully made by the Commissioner, and pay to the State of California and to any such person or persons having a right of action against the Obligors any and all monies that may become due or owing to the State of California and to such person or persons from said Obligors under and by virtue of the provisions of the Act, then this obligation to be void; otherwise to remain in full force and effect until the Surety is released from liability by the Commissioner, subject, however, to the following conditions:

1. The Surety may reduce coverage by amending the effective date or the bond amount, or may cancel this Bond ten (10) days from date of receipt of notice delivered electronically through NMLS to the Principal and the Commissioner, but no such amendment or cancellation shall affect any liability which arises from acts or omissions which occur prior to the termination of such ten (10) day period.
2. In no event shall the aggregate liability of the Surety for any and all claims exceed the penal sum of this Bond stated herein.
3. The Commissioner has the exclusive right to proceed on this Bond against the Principal or Surety hereon or both to recover any and all moneys that may become due or owing.

In Witness Whereof, the said Principal has hereto set his hand and seal and the said Surety has caused this obligation to be duly executed by its duly authorized agent to be hereunto affixed on this [Day of Signatory Date] day of [Month of Signatory Date], [Signatory Year].

By: [Principal Signee]  
Principal

By: [Surety Signee]  
Surety

Per agency's request: 12/11/30/2021

REPEAL

STATE OF CALIFORNIA  
DEPARTMENT OF CORPORATIONS

BOND OF RESIDENTIAL MORTGAGE LENDER AND/OR SERVICER  
Financial Code Section 50205

Bond No. \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That we, \_\_\_\_\_,  
as Principal, whose address for service is:

\_\_\_\_\_  
(Street Address, City, State and ZIP Code)

and \_\_\_\_\_, a corporation,  
created, organized and existing under and by virtue of the laws of  
the State of \_\_\_\_\_ and an admitted Surety  
insurer authorized to transact a general surety business in the  
State of California, as Surety, whose address for service is:

\_\_\_\_\_  
(Street Address, City, State and ZIP Code)

are held and firmly bound unto the Commissioner of Corporations of  
the State of California, for the use thereof and for the use of  
any person or persons who may have a cause of action against the  
Principal under the provisions of the California Residential  
Mortgage Lending Act and all acts amendatory thereof and  
supplementary thereto now and hereafter enacted, in the total  
aggregate penal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (see Financial Code Section 50205), lawful money of the United  
States of America, to be paid to the Commissioner of Corporations  
of the State of California, or to any person or persons, for the  
use and benefit aforesaid, for which payment well and truly to be  
made, we bind ourselves, our heirs, executors, administrators,  
successors and assigns, jointly and severally firmly by these  
presents.

The condition of the above obligation is such that--

WHEREAS, The above-named Principal has made application to  
the Commissioner of Corporations of the State of California for a  
license to engage in business under and pursuant to the provisions  
of the California Residential Mortgage Lending Act, and is  
required under the provisions of the California Residential  
Mortgage Lending Act to furnish a bond in the sum above named,  
conditioned as set forth:

Per agency's request: 1E, 11/30/2021

REPEAL

NOW, THEREFORE, The Principal, and any and all agents and employees representing the Principal, shall faithfully conform to and abide by the provisions of the California Residential Mortgage Lending Act and all acts amendatory thereof and supplementary thereto now and hereafter enacted, and of all rules and regulations lawfully made by the Commissioner of Corporations of the State of California under the California Residential Mortgage Lending Act and shall honestly and faithfully apply all funds received and shall faithfully and honestly perform all obligations and undertakings under the California Residential Mortgage Lending Act, and shall pay to the Commissioner of Corporations of the State of California and to any person or persons, for the use and benefit aforesaid, any and all moneys which become due or owing the Commissioner of Corporations of the State of California or to any such person or persons from the Principal under and by virtue of the provisions of the California Residential Mortgage Lending Act.

This bond is subject to the following provisions:

1. That any person who sustains an injury covered by this bond may, in addition to any other remedy that he or she may have, bring an action in his or her own name upon this bond for the recovery of any damages sustained by him or her.
2. That the total aggregate liability of the Surety or sureties herein shall be limited to the payment of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (insert amount of the bond).
3. This bond may be cancelled by the Surety in accordance with the provisions of Sections 996.320 and 996.330 of the Code of Civil Procedure of the State of California.
4. That, in the event either the Principal and/or the Surety under this bond are served with notice of any action commenced against the Principal or the Surety under the bond, the Principal and Surety as each is served with notice of action shall respectively and, within 10 days, give written notice of the filing of such action to the Commissioner of Corporations of the State of California, at the Los Angeles office of the Department of Corporations.
5. That, in the event the Surety under this bond makes full or partial payment on this bond the Surety shall immediately give written notice of such full or partial payment to the Commissioner of Corporations of the State of California, at the Los Angeles office of the Department of Corporations.
6. That the effective date of this bond shall be \_\_\_\_\_.

\_\_\_\_\_  
Signature of Principal

REPEAL

\_\_\_\_\_  
Typed or Printed Name of Principal

\_\_\_\_\_  
Executed at (City and State)

I certify (or declare) under penalty of perjury that I have executed the foregoing bond under an unrevoked power of Attorney.

Executed in \_\_\_\_\_ on \_\_\_\_\_  
(City and State) (Date)

under the laws of the State of California.

\_\_\_\_\_  
Signature of Attorney-in-Fact  
for Surety

\_\_\_\_\_  
Printed or typed name of  
Attorney-in-Fact for Surety

ALL OF THE ABOVE SIGNATURES MUST BE NOTARIZED

REPEAL

STATE OF CALIFORNIA  
DEPARTMENT OF CORPORATIONS

INSTRUCTIONS FOR COMPLETION OF SURETY BOND FORM

This form contains the approved format for the Surety Bond as required by Financial Code Section 50205. Every company is required to obtain and maintain a surety bond.

The original surety bond must be filed and must include all of the following:

1. The signature of the attorney-in-fact for the surety company.
2. A notarial jurat for the attorney-in-fact.
3. A power of attorney from the surety company.
4. Legal name of the licensee. Business name(s), if applicable, may also be included.
5. The signature of the licensee.
6. The notarial jurat for the signature of the licensee.